

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

C

W-02597A
Cedar Grove Water
P.O. Box 1270
Show Low, AZ 85902

RECEIVED

MAR 29 2005

AZ Corporation Commission
Director Of Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004
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FOR COMMISSION USE

ANN04	04
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COMPANY INFORMATION

Company Name (Business Name) Cedar Grove Water

Mailing Address P.O. Box 1270 340A N. 9th Street
(Street)

Show Low AZ 85939
(City) (State) (Zip)

928-537-8739 928-537-8739 928-532-6941
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address 4starlandandwater@frontiernet.net

Local Office Mailing Address P.O. Box 1270
(Street)

Show Low AZ 85939
(City) (State) (Zip)

928-537-8739 928-537-8739 928-532-6941
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address 4starlandandwater@frontiernet.net

MANAGEMENT INFORMATION

Management Contact: Mark Grapp Owner
(Name) (Title)

P.O. Box 1270 340A N. 9th St. Show Low AZ 85902
(Street) (City) (State) (Zip)

928-537-8739 928-537-8739 928-532-6941
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address 4starlandandwater@frontiernet.net

On Site Manager: same as above
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: NA
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: NA
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

X Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☒ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co-op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)** _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☒ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☐ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	1000	0	1000
302	Franchises	500	0	500
303	Land and Land Rights	1000	0	1000
304	Structures and Improvements	8500	1698	6802
307	Wells and Springs	19955	3989	15966
311	Pumping Equipment	22610	22610	0
320	Water Treatment Equipment	0	0	0
330	Distribution Reservoirs and Standpipes	97856	8888	88968
331	Transmission and Distribution Mains	449336	38284	411052
333	Services	19820	16435	3385
334	Meters and Meter Installations	8954	2044	6910
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	0	0	0
341	Transportation Equipment	0	0	0
343	Tools, Shop and Garage Equipment	891	891	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTALS	630422	94839	535583

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME: Cedar Grove Water

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	1000	0	0
302	Franchises	500	0	0
303	Land and Land Rights	1000	0	0
304	Structures and Improvements	8500	3.33	283
307	Wells and Springs	19955	3.33	665
311	Pumping Equipment	22610	20	4522
320	Water Treatment Equipment	0	0	0
330	Distribution Reservoirs and Standpipes	97856	2.22	2172
331	Transmission and Distribution Mains	449336	2	8987
333	Services	19820	3.33	660
334	Meters and Meter Installations	8954	3.33	298
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	0	0	0
341	Transportation Equipment	0	0	0
343	Tools, Shop and Garage Equipment	891	20	178
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTALS	630422	0	17765

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	704	0
134	Working Funds	0	16595
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	5580	2537
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	0	0
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	TOTAL CURRENT AND ACCRUED ASSETS	6284	19132
	FIXED ASSETS		
101	Utility Plant in Service	585354	630422
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	24615
108	Accumulated Depreciation – Utility Plant	(66893)	(94839)
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	518461	560198
	TOTAL ASSETS	524745	579330

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

*Includes Main Extension Monies

COMPANY NAME: Cedar Grove Water

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	0	0
232	Notes Payable (Current Portion)	0	3877
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	16913	16500
236	Accrued Taxes	0	0
237	Accrued Interest	0	0
241	Miscellaneous Current and Accrued Liabilities	0	0
	TOTAL CURRENT LIABILITIES	16913	20377
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	112057	108308
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	0	0
252	Advances in Aid of Construction	241879	279593
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	62124	13819
272	Less: Amortization of Contributions	(6339)	(13399)
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	297664	280013
	TOTAL LIABILITIES	426634	408698
	CAPITAL ACCOUNTS		
201	Common Stock Issued	0	0
211	Paid in Capital in Excess of Par Value	0	0
215	Retained Earnings	9928	(10547)
218	Proprietary Capital (Sole Props and Partnerships)	88183	181179
	TOTAL CAPITAL	98111	170632
	TOTAL LIABILITIES AND CAPITAL	524745	579330

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	80771	89611
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	995	660
	TOTAL REVENUES	81766	90271
	OPERATING EXPENSES		
601	Salaries and Wages	38600	44470
610	Purchased Water	0	0
615	Purchased Power	8691	11241
618	Chemicals	0	0
620	Repairs and Maintenance	642	134
621	Office Supplies and Expense	3635	4710
630	Outside Services	2480	1661
635	Water Testing	1742	3249
641	Rents	1023	9224
650	Transportation Expenses	7984	8806
657	Insurance – General Liability	1065	1515
659	Insurance - Health and Life	0	0
666	Regulatory Commission Expense – Rate Case	0	0
675	Miscellaneous Expense	1311	909
403	Depreciation Expense	16864	17765
408	Taxes Other Than Income	4489	5060
408.11	Property Taxes	3860	1852
409	Income Tax	0	0
	TOTAL OPERATING EXPENSES	92386	110596
	OPERATING INCOME/(LOSS)	(10620)	(20325)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 0	\$ 0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	(89)	(148)
	TOTAL OTHER INCOME/(EXPENSE)	(89)	(148)
	NET INCOME/(LOSS)	(10709)	(20473)

COMPANY NAME: Cedar Grove Water

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	9-1-2001			
Source of Loan	WIFA			
ACC Decision No.	63673			
Reason for Loan	Construction			
Dollar Amount Issued	120000	\$	\$	\$
Amount Outstanding	108308	\$	\$	\$
Date of Maturity	9-1-2021			
Interest Rate	5.075 %	%	%	%
Current Year Interest	2296	\$	\$	\$
Current Year Principle	3750	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 10,912

Meter Deposits Refunded During the Test Year \$ 1,959

COMPANY NAME: Cedar Grove Water

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-087623	5	11.5	860	6	1	
55-550075	5	31.5	440	6 & 5	1.5	
55-566375	7.5	56	544	6	1.5	

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NA		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
2	7	11	
5	1		
7.5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	1	1,000	1
12,500	1	2,000	1
50,000	1		
250,000	1		

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	2520
3		
4		
5		
6	PVC	82,650
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	260
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

NA

STRUCTURES:

- 12' x 12' building
- 6' x 6' building
- 20' x 30' building
- 24' x 24' building

OTHER:

NA

COMPANY NAME: Cedar Grove Water

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	229	894,410	558,700
FEBRUARY	231	688,920	556,900
MARCH	228	644,020	418,600
APRIL	225	599,120	610,300
MAY	230	943,980	818,100
JUNE	229	1,589,890	1,192,120
JULY	233	2,071,791	900,900
AUGUST	234	1,557,541	1,060,210
SEPTEMBER	246	1,471,920	1,152,690
OCTOBER	237	1,547,470	852,860
NOVEMBER	239	1,149,530	475,890
DECEMBER	242	787,680	571,760
TOTAL		N/A	9,169,030

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. See Below _____ **mg/l**

(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

POE #001 - .001

POE #003 - .001

POE #004 - .001

Sample Date 1-10-2005

COMPANY NAME Cedar Grove Water YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 1852

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

Copies on following pages.

03 212 50256

MARK E. GRAPP
BARBARA L. GRAPP
P. O. BOX 1270
SHOW LOW, AZ 85902

11-96

6082574

1959

Date 4-8-04

91-170/1221 AZ
8595

Pay to the
order of

Apache County Treasurer

\$ 842.37

Eight hundred forty two and 37/100

Dollars



Security watermark
are included.
Outside only show.

Bank of America



Bank of America Advantage®

ACH R/T 122101706

For Parcel #901-60-900

[Signature]

⑆122101706⑆ 000234826165⑈ 1959 ⑈0000084237⑈

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

PERMIT NO. 1000
SHOW LOW, AZ 85902

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

PERMIT NO. 1000
SHOW LOW, AZ 85902

PAY TO THE ORDER OF
WELLS FARGO BANK AZ, N.A.

UFB NA TENN 001242004

4584 04930110001 4

>1221-0527-8<

US DATE 04/15/04 3001

15 ESU 62

04/15/04 E3276 01 POF23 E C 010 AZ

3550952890

FOR DEPOSIT ONLY
APACHE COUNTY TREASURER
CCT # 0529790115

04112-51153
CEDAR GROVE WATER
P.O. BOX 1270 928-537-8739
SIOW LOW, AZ 85902-1270

805247

3475

Date 11-1-04

91-170/1221 AZ
8595

Pay to the
order of

Apache County Treasurer \$1,009.18

One Thousand Nine + 18/100

Dollars

Bank of America

ACH R/T 122101706

For

901-60-900

122101706 000094775439 3475 0000100918

PAY TO THE ORDER OF
UFB NOS TEMPE 11052004
3462 04730634839 4
11221-0527-80

VS DATE 11/10/04 15 ESU 64

11/10/04 E3370 01 P01 P09 E C 045 AZ 11-7-20-04

3550964748

FOR DEPOSIT ONLY
APACHE COUNTY TREASURER
COT # 0529790115

COMPANY NAME

Cedar Grove Water

YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported *NA - Sole Proprietorship
Estimated or Actual Federal Tax Liability pays its tax based uponState Taxable Income Reported owners Schedule C Income
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

3-28-05

DATE

Mark Grapp

PRINTED NAME

owner

TITLE

RECEIVED

MAR 29 2005

AZ Corporation Commission
Director Of Utilities

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

VERIFICATION

STATE OF AZ

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
<u>Apache</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Mark Grapp</u>
COMPANY NAME
<u>Cedar Grove Water</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2004</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 90,270.80

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 5,060.21
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

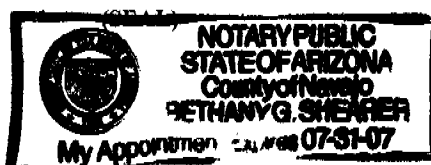
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 28 DAY OF

[Signature]
SIGNATURE OF OWNER OR OFFICIAL
928-537-8739
TELEPHONE NUMBER

COUNTY NAME
<u>Navajo</u>
MONTH
<u>March</u>
YEAR
<u>2005</u>



[Signature]
Nee: [Signature]

MY COMMISSION EXPIRES _____

VERIFICATION
AND

RECEIVED

SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

MAR 29 2005

AZ Corporation Commission
Director Of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Apache</u>	
NAME (OWNER OR OFFICIAL) <u>Mark Grapp</u>	TITLE <u>owner</u>
COMPANY NAME <u>Cedar Grove Water</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 90,270.80

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 5,060.21
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.



SIGNATURE OF OWNER OR OFFICIAL

928-5378739

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

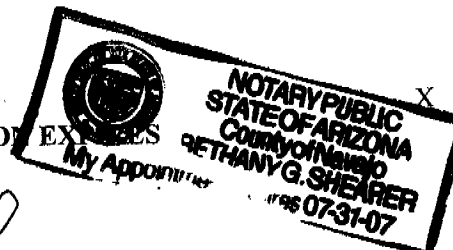
28th

DAY OF

NOTARY PUBLIC NAME <u>Bethany G. Francis</u>	
COUNTY NAME <u>Nauvoo</u>	
MONTH <u>March</u>	YEAR <u>2005</u>

(SEAL)

MY COMMISSION EXPIRES

2/31/07

SIGNATURE OF NOTARY PUBLIC

Nec: Bethany G. Francis

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**